

Towagmac Exploration Company Limited

(No Personal Liability)

Annual Report

For the Period Ending December 31st, 1965

Authorized Capital 3,000,000 shares with a par value of \$1.00 each

Issued Capital 2,596,666

Incorporated under the laws of the Province of Quebec

Directors

K. A. ROBERTS	-	-	-	-	-	-	-	-	-	TORONTO, ONTARIO
W. H. GILLELAND	-	-	-	-	-	-	-	-	-	TORONTO, ONTARIO
A. H. HONSBERGER	-	-	-	-	-	-	-	-	-	BRAMPTON, ONTARIO
S. L. JASKE	-	-	-	-	-	-	-	-	-	TORONTO, ONTARIO
L. H. SHARKEY	-	-	-	-	-	-	-	-	-	TORONTO, ONTARIO
R. T. MACALPINE	-	-	-	-	-	-	-	-	-	TORONTO, ONTARIO
H. HUNTER	-	-	-	-	-	-	-	-	-	TORONTO, ONTARIO

Officers

PRESIDENT	-	-	-	-	-	-	-	-	-	K. A. ROBERTS
VICE-PRESIDENT	-	-	-	-	-	-	-	-	-	W. H. GILLELAND
SECRETARY-TREASURER	-	-	-	-	-	-	-	-	-	H. HUNTER

Solicitors

HOLDEN, MURDOCH, WALTON, FINLAY, ROBINSON,
PEPALL & HARVEY
TORONTO, ONTARIO

Transfer Agents and Registrars

EASTERN & CHARTERED TRUST COMPANY
MONTREAL, QUE. AND TORONTO, ONT.

Head Office of the Company

601 CANADIAN IMPERIAL BANK OF COMMERCE BUILDING
1155 DORCHESTER BLVD. WEST, MONTREAL, QUE.

Toronto Office

601 CONCOURSE BUILDING, 100 ADELAIDE STREET WEST
TORONTO, ONTARIO

TOWAGMAC EXPLORATION COMPANY LIMITED

(No Personal Liability)

Directors' Report

TO THE SHAREHOLDERS:

Your Directors submit herewith for your approval, copy of your Company's Balance Sheet as at December 31, 1965, duly certified by your Company's Auditors, together with Statement of Profit and Loss and Statement of Deficit for the year ended December 31, 1965.

As set forth in the Company's Balance Sheet, your Company had cash in bank of \$7,339.26, and in addition to its other assets, held listed securities with a quoted market value of \$244,170.00.

As you were previously advised, your Company holds 25% of the issued and outstanding common and preference shares of the capital stock of Shoppers' Bowling Lanes Limited, which company operates an ultra-modern bowling lane installation located in Shoppers' World at the corner of Danforth and Victoria Park Avenues, Toronto, Ontario. This company had a gross profit of \$56,190.00 for 1965, which, after deducting depreciation and amortization of leasehold improvements amounting to \$45,373.00, resulted in a net profit for the year of \$10,817.00.

Although no work was done on your Company's group of seven mining claims in the Township of Beauchastel, Province of Quebec, same have been maintained in good standing.

Your Company has retained its substantial share interest in Jean Lake Lithium Mines Limited, on whose property in the Beardmore Area, Province of Quebec, diamond drilling has located an important lithium ore body.

On behalf of the Board,

K. A. ROBERTS,
President.

Toronto, Ontario,
June 1, 1966.

TOWAGMAC EXPLORATION COMPANY LIMITED

(No Personal Liability)

Balance Sheet as at December 31, 1965

ASSETS

Cash		\$ 7,349.26
Advances to Hewfron Gold Mines Limited		2,450.00
Investment in mining and other securities, at cost		
Listed securities (quoted market value \$244,170.00)	\$ 182,835.41	
Unlisted securities (no quoted market value)	25,743.62	
		<u>208,579.03</u>
Mining claims, at cost		616.25
		<u>\$218,994.54</u>

LIABILITIES

Accounts payable and accrued liabilities	\$ 1,731.96
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CAPITAL

CAPITAL STOCK			
Authorized			
3,000,000 shares of \$1.00 each par value			
Issued and fully paid			
2,596,666 shares	\$ 2,596,666.00		
Deduct discounts, less premiums thereon	626,025.36		
		\$ 1,970,640.64	
Deduct deficit		<u>1,753,378.06</u>	<u>217,262.58</u>
			<u>\$218,994.54</u>

On behalf of the Board:

K. A. ROBERTS, Director.

H. HUNTER, Director.

AUDITORS' REPORT

The Shareholders,
Towagmac Exploration Company Limited,
(No Personal Liability).

We have examined the balance sheet of Towagmac Exploration Company Limited (No Personal Liability) as at December 31, 1965 and the related statements of profit and loss and deficit for the year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion the accompanying balance sheet and related statements of profit and loss and deficit present fairly the financial position of the company as at December 31, 1965 and the results of its operations for the year ended on that date, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Toronto, Ontario,
February 4, 1966.

TOUCHE, ROSS, BAILEY & SMART,
Chartered Accountants.

TOWAGMAC EXPLORATION COMPANY LIMITED

(No Personal Liability)

Statement of Profit and Loss

For the Year Ended December 31, 1965

INCOME

Interest and dividends	\$	2,203.04
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EXPENDITURE

Pension plan	\$1,500.00	
Administration and general expense	1,456.25	
Corporation expense	933.24	
Legal fees	752.40	
Audit fees	275.00	
Taxes	91.85	5,008.74

Loss for the year transferred to Deficit Account	\$	2,805.70
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Statement of Deficit

For the Year Ended December 31, 1965

Balance at January 1, 1965	\$ 1,744,959.92	
Add: Loss for the year	\$2,805.70	
Investments written down to nominal value	8,144.36	10,950.06
		1,755,909.98
Deduct: Goldale Syndicate distribution	640.14	
Gain on disposal of securities	1,891.78	2,531.92
Balance at December 31, 1965	\$ 1,753,378.06	